CENTRAL AMERICA PALMER: Costa Rica fears it is sliding into or being pushed into Central America's widening circle of violence, and it isn't sure what to do about that. Neither is anyone else. As John Chancellor points out in his commentary tonight, there are two points of view about what should be done in Central America but hardly any common ground between them. John?

CHANCELLOR: One of the most widely quoted remarks in years was made last week by former President Nixon. He was talking about the struggle in Central America between the right and the left. Mr. Nixon said, 'The communists at least talk about the problems, and too often we just talk about the communists.' There's been a lot of talk recently about the communists. The president said last week that the Soviet Union, Cuba and Nicaragua are, in his words, 'trying to install communism by force throughout the Western hemisphere.' His assistant for national security affairs, Robert McFarlane, said on Meet the Press that CIA-style covert action was a proper way of combating communist subversion in places like Central America. Otherwise, he said, the president's options would be limited to going to war or doing nothing. So as this administration official sees it, the choices are war, secret war or defeat. There is another option, of course. That is, negotiation. Mexico, Panama, Venezuela and Colombia are trying for a negotiated settlement through the Contadora process. But in his half-hour address last Wednesday, Mr. Reagan mentioned the Contadora Group only once and hardly talked at all about the problems of poverty, tyranny and illiteracy in Central America. It is hard to predict how this bellicose talk will go down with the public. The polls show that while the American people don't want another Cuba in Central America, they don't want another Vietnam either. But there was the president's man on TV last Sunday warning of a Tet-like attack, a large communist offensive in El Salvador next fall. That kind of talk scares people. No wonder Mr. Nixon's remark is getting so much attention.